VZCZCXRO9376 PP RUEHAG RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW RUEHROV RUEHSR DE RUEHAH #0381/01 0840602 ZNY CCCCC ZZH P 250602Z MAR 09 ZDK FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 2532 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY RUCNCIS/CIS COLLECTIVE PRIORITY RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY RUEHAK/AMEMBASSY ANKARA PRIORITY 4986 RUEHBJ/AMEMBASSY BEIJING PRIORITY 2744 RUEHKO/AMEMBASSY TOKYO PRIORITY 2609 RUEHIT/AMCONSUL ISTANBUL PRIORITY 3230 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHDC PRIORITY RUEHBS/USEU BRUSSELS PRIORITY RHEHNSC/NSC WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000381

SIPDIS

SCA/CEN; EEB PLEASE PASS TO USTDA DAN STEIN ENERGY FOR EKIMOFF/THOMPSON COMMERCE FOR HUEPER

E.O. 12958: DECL: 03/25/2019 TAGS: <u>PGOV</u> <u>EPET</u> <u>EINV</u> <u>TX</u> <u>UN</u> <u>RS</u> <u>AJ</u>

SUBJECT: TURKMENISTAN: MFA SHARES PERSPECTIVE ON A POTENTIAL INTERNATIONAL ENERGY TRANSIT CONVENTION

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Classified By: Charge Richard Miles for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: Deputy Foreign Minister Hajiyev recently spoke to a U.S.-based scholar about Turkmenistan's goals in hosting the late April pipeline security conference. It is becoming more apparent that the Turkmen Government is laying the groundwork for the development of an international convention that would provide a legal framework for suppliers, buyers and transporters of energy. The Government may be assessing that an international convention will give this neutral country a legal fig leaf to stand behind, should disputes arise over delivery disruptions, especially with Russia. It is far from certain, however, that the international community will be supportive of such a convention. Hajiyev said Caspian demarcation discussions were continuing, and the bilateral discussion with Azerbaijan was in the process of working out some "unresolved issues" but that the two countries have to work out their issues on their own. END SUMMARY.
- 12. (C) Ed Chow, a visiting scholar from the U.S.-based Center for Strategic and International Studies (CSIS) met on March 18 with Ministry of Foreign Affairs Deputy, Wepa Hajiyev, to discuss Turkmen policy perspectives on development of the country's oil and gas sector. Hajiyev touched briefly on Turkmenistan's broadening cooperation with Europe, the United States and other countries, the country's program of export diversification, and its increasing interest in ensuring the security of energy transport.

GOVERNMENT HOPES FOR AN INTERNATIONAL CONVENTION

13. (C) He said that in recent months, President Berdimuhammedov has frequently expressed the importance of the economic, environmental, and physical security of international energy transit, the concept of which formed the

UN Resolution on the Reliable and Safe Transit of Energy, adopted in December 2008. Hajiyev said that all countries have an interest in developing an international legal basis for producers, sellers and transporters of energy supplies. Turkmenistan sees the UN as its main strategic partner in establishing such a legal framework, he said. The development of a UN international convention would guarantee the reliability of transit, whether by tankers or pipelines, he said. The April 23-24 conference hosted by the Turkmen Government will be the beginning of a long process. Hajiyev said the Government anticipates that international academics will study the issue and analyze the problems inherent in the international transit of energy.

(C) He denied that Turkmenistan's interest in the development of such a convention had been prompted by any recent international events. He said that Turkmenistan analyzes, but does not allow international events to influence its policies. Rather, he said that being a neutral country means taking an active role in promoting stability. As an example, he cited the meetings that took place in Ashgabat in the 1990s between the Government of Afghanistan and the Taliban. We have a reputation, he said, and want to help the international community achieve peace and stability. That said, he admitted that Turkmenistan's interest in the issue was growing because of the expanding number of export pipelines that will move the country's gas abroad. He argued that countries around the world respected and adhered to UN resolutions and international conventions on other issues. If there are such provisions for so many other issues, there should be a convention for energy transit as well. He said the first priority is to develop a solid legal foundation for ensuring energy transit, and the physical security of

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pipelines should be the second priority.

DEMARCATION TOUGH BECAUSE THERE'S MORE AT STAKE ...

- (C) Turning to relations with Caspian neighbors, Hajiyev said that relations with Azerbaijan were developing in a positive way, but the two countries were not focusing on bilateral demarcation questions. He said there are some "temporarily unresolved issues," but that the two countries need to work it out on their own. Without going into specifics, Hajiyev said, "Third parties will not be allowed to interfere in the relationship." (COMMENT: Political Officer understood this to mean Russia, but it may have also referred to Western efforts to mediate the two countries' remaining issues. END COMMENT.) He said the two Presidents had recently signed trade and transport agreements. When asked whether there was any potential for Turkmenistan and Azerbaijan to resolve the Caspian demarcation issue bilaterally, Hajiyev responded that Turkmenistan and Azerbaijan are talking on a bilateral basis, that Turkmenistan is continuing to discuss the issue bilaterally with all the Caspian states, and that Turkmenistan continues to participate in all multi-lateral discussions and working groups on demarcation. Hajiyev argued that Russia and Kazakhstan had been able to work out their bilateral demarcation issues in the north Caspian and engage in joint activities "because there was not as much at stake," suggesting that within the disputed area between Turkmenistan and Azerbaijan, a great deal more is considered to be at stake.
- 16. (C) COMMENT: Hajiyev provided Post with more specifics than we have heard thus far on the April conference. It is becoming more apparent that the Turkmen Government wants to build support for the development of an international convention that would protect and ensure Turkmen exports once the supply crosses the border. Whether the international community agrees that such a convention is possible or desirable remains to be seen. END COMMENT.